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6096.E AMH . . . . PETE 018

**ESB 6096** - H AMD  
By Representative \_\_\_\_\_

1           On page 3, line 24, strike "section 4" and insert  
2 "section 4 or 5"

3           One page 4, line 28, strike "section 4" and insert "section 4  
4 or 5"

5           On page 9, after line 27, insert the following:

6           "NEW SECTION. Sec. 5. A new section is added to chapter 83.100  
7 RCW to read as follows:

8           (1) For the purposes of determining the Washington taxable  
9 estate, a deduction is allowed from the federal taxable estate for  
10 the value of qualified family-owned business interests of the  
11 decedent. This deduction applies only if the qualified family-  
12 owned business interest is acquired by any qualified heir from, or  
13 passed to any qualified heir from, the decedent, within the meaning  
14 of section 4(2) of this act and the decedent was at the time of his  
15 or her death a citizen or resident of the United States. Only  
16 property in the federal taxable estate and not deductible under  
17 section 4 of this act may be deducted under this subsection. For  
18 the purposes of determining the deduction amount, the value of  
19 property is its value as used to determine the value of the gross  
20 estate. For purposes of this subsection, the following definitions  
21 apply:

22           (i) "Qualified family-owned business interest" has the same  
23 meaning as in section 2057(e) of the Internal Revenue Code."

24           (ii) "Qualified heir" has the same meaning as in section  
25 2057(i) of the Internal Revenue Code."

26           Renummer the sections consecutively and correct any internal  
27 references accordingly.

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**EFFECT:** Allows an estate tax deduction for the value family-owned business interest left to a family member or an long term active employee of the business.